

IV.1

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: September 5, 2006

SUBJECT: **ORDINANCE: 2005-2006 BUDGET ADJUSTMENTS**

I. RECOMMENDED ACTION:

By motion, adopt the proposed ordinance amending the 2005-2006 Budget. This is a housekeeping ordinance to appropriate additional revenue received in support of City programs. Formal spending authority must be granted to ensure the City complies with State laws and governmental accounting standards. This adjustment was reviewed by the Public Administration and Finance Committee on August 24th, 2006.

II. DEPARTMENT CONTACT PERSON:

Lenda Crawford, Finance Director	556-2160
Alvaro Torres, Sr. Financial Analyst	556-2163

III. DESCRIPTION:

This budget adjustment makes the following changes:

Planning Department

- Recognizes a \$23,310 grant from the Washington State Department of Community, Trade and Economic Development to pay for the Overlake neighborhood planning update.
- Appropriates \$1,350 from Microsoft and Puget Sound Energy to offset facility costs associated with neighborhood meetings.

Police Department

- Recognizes a \$26,072 grant from the Washington State Traffic Safety Commission to reimburse expenses incurred in DUI task force initiatives.
- Recognizes a \$15,102 grant from the U.S. Department of Justice to pay for computer, equipment and training related to forensics.
- Appropriates \$6,047 from developers to support traffic flagging activities.
- Recognizes a \$2,550 donation from employees at Microsoft and a corresponding corporate match to offset police overtime.

Fire Department

- Appropriates higher than expected property taxes in the amount of \$400,000 to pay for overtime incurred in 2005.
- Recognizes a \$359,904 reimbursement from Fire District 34 for overtime incurred in 2005, in accordance with its contract.
- Appropriates a \$99,530 reimbursement from FEMA for Katrina relief efforts.

- Recognizes a \$21,492 grant from Homeland Security to pay for public education and emergency preparedness initiatives.

Other

- Allocates \$58,257 recovered from insurance to offset Public Works expenses in replacing and repairing street lights.
- Appropriates \$171,147 of unallocated Fund Balance to pay for City Hall furniture purchases within the General Government CIP, as discussed and approved by Council in 2005.
- Receipts \$174,862 of fire insurance premiums in the General Fund in accordance with generally accepted accounting principles. The funds are then transferred to the Firemen's Pension Fund to pay pension and medical costs for LEOFF I employees.
- Appropriates higher than expected property and utility tax collections in the amount of \$1,228,429 to fund outstanding labor settlements. The salary and benefit contingency is currently underfunded.
- Recognizes a \$218,750 grant from the State Department of Transportation to establish a commuter club program for City employees.
- Appropriates \$43,557 of greater than anticipated hotel/motel tax receipts to the Hotel/Motel Tax Fund for tourism programs.
- Infuses \$431,561 into the City's Worker's Compensation program to cover higher claims in 2005 and 2006 than budgeted.

Advanced Life Support

- Appropriates \$731,870 from King County Emergency Medical Services (EMS) to pay for full staffing of Medic Unit #35.
- Recognizes a \$15,000 donation from the Medic One Foundation to cover the cost of equipment and salary and benefits related to the I-Stat patient care study.
- Recognizes a \$12,790 reimbursement from FEMA associated with Katrina relief efforts.

Transportation CIP

- Appropriates \$2.2 million from the State of Washington Transportation Improvement Board and \$80,000 from King County Metro for the Union Hill Road Phase II project.
- Applies \$1.2 million from the Microsoft Corporation Development Agreement to road improvements at the intersection of East Lake Sammamish and NE 65th.
- Reflects \$378,500 from Sound Transit for Redmond Way Sidewalk Improvements.
- Allocates developer contributions in the amount of \$242,928 to the following projects: NE 36th & SR 520 overpass, NE 40th & 159th Ave NE, NE 36th & 148th Ave NE, NE 40th & 163rd Ave NE and NE 36th & 156th Ave NE.
- Recognizes \$77,805 of rental income from the Workshop Tavern and allocates it to Bear Creek Parkway improvements.

IV. FISCAL IMPACT:

Adoption of this ordinance will increase the City's 2005-2006 budget from \$ 425.5 million to \$434.5 million as summarized in Exhibit 2.

V. ALTERNATIVES:

None. These revisions are necessary to comply with state budget laws.

VI. TIME CONSTRAINTS:

These adjustments should be made in a timely manner to ensure that all City funds remain within their appropriation authority as required by law.

VII. LIST OF ATTACHMENTS:

Ordinance

Exhibit 1 – Amendments to 2005-06 budget

Exhibit 2 – Schedule of changes to 2005-06 budget

/s/ Lenda Crawford, Director of Finance and Information Services

Date: 08/25/2006

Approved for Council Agenda /s/ Jane Christenson for Rosemarie Ives, Mayor Date: 08/25/2006

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND,
WASHINGTON, MAKING ADJUSTMENTS TO CITY
BUDGETS, AMENDING ORDINANCE NO. 2234 AS
AMENDED BY ORDINANCE NO. 2263.

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2005-2006 biennial City budget, and the City Council has reviewed the proposed adjustments and has determined that they should be made, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 2234 adopting the 2005-2006 biennial budget, passed by the City Council on November 30, 2004, and as amended by Ordinance No. 2263, is hereby amended to reflect the increased appropriations in Exhibit 1 attached hereto and incorporated herein by this reference as if set forth in full. The sources of funds for the increased appropriations are grants, donations, intergovernmental payments, insurance recoveries, beginning fund balance and unanticipated property, utility and hotel/motel taxes.

Section 2. This ordinance, being an administrative action, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

CITY CLERK, MALISA FILES

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

BY: _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.:

August 28, 2006

EXHIBIT 1
Amendments to 2005-2006 Budget Appropriations

General Fund	Revenues	Expenditures
Planning Department		
State Dept of Comm, Trade and Ec Devlpmt Grant	23,310	
Overlake Neighborhood master plan		23,310
Private donations – Microsoft and Puget Sound Energy	1,350	
Community meetings - Facility rentals		1,350
Planning Department Total	24,660	24,660
Police Department		
Washington State Traffic Safety Commission grant	26,072	
Salary and Benefits DUI Task-Force		26,072
US Department of Justice grants	15,102	
Forensics - Computer, equipment and training		15,102
Developer payments - traffic flagging	6,047	
Salaries and benefits		6,047
Donations – Microsoft employees and corporate matching	2,550	
Salaries and benefits		2,550
Police Department	49,771	49,771
Public Works Department		
Insurance Recovery	58,257	
Street light replacement and repair		58,257
Public Works Department Total	58,257	58,257
Fire Department		
Higher than expected Property Tax	400,000	
Overtime		400,000
FD #34 2005 reconciliation payment	359,904	
2005 Overtime		359,904
FEMA Katrina reimbursement	99,530	
Salary and Benefits		99,530
Homeland Security Grant	21,492	
Public Education/Emergency Preparedness Speaker		21,492
Fire Department Total	880,926	880,926
Non departmental		
Higher than expected Property and Utility Tax collections	1,228,429	
Salary and benefits contingency - outstanding settlements		1,228,429
Higher than expected Utility Tax collections	305,531	
Salary and benefits contingency - workers compensation		305,531
Fireman's Insurance Premium Taxes	174,862	
Transfer out Fireman's Pension fund		174,862
Unallocated Beginning Fund Balance	171,147	
Transfer to General Government CIP		171,147
Non-Departmental Total	1,879,969	1,879,969
TOTAL GENERAL FUND	2,893,583	2,893,583

Other Funds		Revenues	Expenditures
118 – Operating Grants			
		Revenues	Expenditures
	State Department of Transportation Grant	218,750	
	Commute Trip Reduction program		218,750
	Operating Grants Fund Total	218,750	218,750
122 – Advanced Life Support			
		Revenues	Expenditures
	King County EMS levy allocation	731,870	
	Salary and benefits Medic Unit #35		731,870
	Medic One Foundation donation	15,000	
	Staff-time and equipment		15,000
	FEMA reimbursement for Katrina support	12,790	
	Salary and benefits		12,790
	ALS Fund Total	759,660	759,660
131 – Hotel Motel Tax			
		Revenues	Expenditures
	Hotel/Motel Tax	43,557	
	Tourism programs		43,557
	Total Hotel Motel Tax Fund	43,557	43,557
319 – General Government CIP			
		Revenues	Expenditures
	Transfer in from General Fund	171,147	
	City Hall furniture		171,147
	Total General Government CIP	171,147	171,147
512 – Worker’s Compensation payments from other City funds			
		Revenues	Expenditures
	Transfer In - General Fund	305,531	
	Transfer In - Recreation Activity	11,912	
	Transfer In - Arts Activity	104	
	Transfer In - Parks M&O	13,425	
	Transfer In - Community Events	567	
	Transfer In - Operating Grants	807	
	Transfer In - Human Services	52	
	Transfer In - ALS	31,911	
	Transfer In - Solid Waste Recycling	971	
	Transfer In - Water/Wastewater	30,044	
	Transfer In - UPD - Water/Wastewater	2,415	
	Transfer In - Stormwater Management	22,300	
	Transfer In - Fleet Maintenance	6,654	
	Transfer In - Risk Management	560	
	Transfer In - Information Technology	4,308	
	Workers Compensation Claim Costs		431,561
	Total Worker’s Compensation	431,561	431,561

611 – FIREMAN'S PENSION FUND

	Revenues	Expenditures
Fireman's Pension Fund - Transfer in	174,862	
Fireman's Pension Fund - Ending Fund Balance		174,862
	174,862	174,862

316 – TRANSPORTATION CIP

	Revenues	Expenditures
State of Washington Transportation Improvement Board	2,250,000	
Microsoft Corporation Development Agreement	1,200,000	
Interlocal Agreement – Sound Transit	378,500	
Developer Contributions	242,928	
King County Metro	80,000	
Rental Income – Workshop Tavern	77,805	
Union Hill Road Phase 2		2,402,808
E. Lake Sammamish Parkway/NE 65 th		1,200,000
Redmond Way Sidewalk Improvements		228,500
116 th Street frontage improvements		157,000
RITS Phase 1 and 2		150,000
Bear Creek Parkway		90,925
Total Transportation CIP	4,229,233	4,229,233

EXHIBIT 2
Schedule of changes to 2005-06 Budget

	Fund Number	Fund Name	2005-06 Adopted Budget (Ord 2234)	Amendment #1 to Budget (Ord 2263)	Proposed amendments (this ordinance)	Revised 2005-06 Budget
	00001	General Fund	110,378,381	425,360	2,893,583	113,697,324
	00110	Recreation Activity	3,073,618	4,658		3,078,276
	00111	Arts Activity	421,675			421,675
	00112	Parks Maintenance and Operations	1,561,876	108,026		1,669,902
	00113	Special Events	632,680	4,467		637,147
	00117	Cable Access	1,086,928	142,190		1,229,118
	00118	Operating Grants	3,115,630	1,026,049	218,750	4,360,429
	00119	Human Services	1,231,496	161,360		1,392,856
	00120	Fire Equipment Reserves	2,323,239	314,933		2,638,172
	00121	Operating Reserves	5,046,390	72,601		5,118,991
	00122	Advanced Life Support	8,125,801	407,955	759,660	9,293,416
	00124	Aid Car Donation	141,112	36,434		177,546
	00125	Real Estate Excise Tax	9,042,707	822,217		9,864,924
	00126	Drug Enforcement	74,304	5,346		79,650
	00127	Capital Equipment Reserve	3,408,877	91,285		3,500,162
	00128	Emergency Dispatch	-	19,082		19,082
	00130	Business Tax	11,825,047	253,941		12,078,988
	00131	Hotel Motel Tax	495,281	80,355	43,557	619,193
	00140	Solid Waste and Recycling	1,319,817	121,891		1,441,708
	00230	Excess Levy	4,191,936	29,383		4,221,319
	00233	Debt Service	1,645,610			1,645,610
	00314	Council CIP	3,728,563			3,728,563
	00315	Parks CIP	12,448,202			12,448,202
	00316	Transportation CIP	27,362,783	4,860,064	4,229,233	36,452,080
	00317	Fire CIP	5,100,507			5,100,507
	00318	Police CIP	4,593,444	90,963		4,684,407
	00319	General Government CIP	12,660,146	36,575,117	171,147	49,406,410
	00352	Parks Acquisition	944,221	3,324		947,545
	00353	1993 GO Bond Fire	81,308			81,308
	00401	Water/Wastewater Operations	44,909,371	1,657,325		46,566,696
	00402	UPD Water/Wastewater Operations	10,439,520	163,583		10,603,103
	00403	Water/Wastewater CIP	17,539,156	2,561,915		20,101,071
	00405	Stormwater Management Operations	15,181,595	174,925		15,356,520
	00406	Stormwater Management CIP	12,130,977	420,304		12,551,281
	00407	UPD Water/Wastewater CIP	4,751,166			4,751,166
	00501	Fleet Maintenance	9,091,569			9,091,569
	00510	Insurance Claims and Reserves	2,349,564	108,238		2,457,802
	00511	Medical Self Insurance	15,295,243	233,939		15,529,182
	00512	Worker's Compensation Insurance	1,205,165		431,561	1,636,726
	00520	Information Technology	5,600,799			5,600,799
	00611	Fireman's Pension Fund	-		174,862	174,862
		Total	374,555,704	50,977,230	8,922,353	434,455,287
	Notes:					
	Ordinance #2234 establishing the 2005-06 budget was approved November 30, 2004					
	Ordinance #2263 amended the adopted budget. Changes included carryover unspent funds from the 2003-04 budget; BTTI committee recommendations; compliance with GASB regulations for reporting the cost of the City Hall lease; and recognizing unanticipated grants, intergovernmental payments; developer contributions for transportation projects and unappropriated beginning fund balances for a number of funds. This Ordinance was approved August 16, 2005.					